

## **NEWS RELEASE**

OFFICE OF THE UNITED STATES ATTORNEY
NORTHERN DISTRICT OF WEST VIRGINIA

## THOMAS E. JOHNSTON UNITED STATES ATTORNEY

1125 Chapline Street, Federal Building, Suite 3000 • Wheeling, WV 26003 • (304) 234-0100 • Contact: Fawn E. Thomas, Public Affairs Specialist

March 2, 2005 FOR IMMEDIATE RELEASE

## Five Indicted on Firearms Trafficking and Drug Charges

**FAIRMONT, WEST VIRGINIA** - Four individuals were arrested on Federal Arrest Warrants early this morning (March 2, 2005) by federal, state, and local law enforcement officers on charges contained in two separate Indictments returned by a Federal Grand Jury sitting in Clarksburg, West Virginia.

United States Attorney Thomas E. Johnston; Laura W. Volk, Special Agent & Public Information Officer for the Bureau of Alcohol, Tobacco, Firearms & Explosives; Chief Stephen G. Cain, Fairmont Police Department; Mike Claxton, Chief Deputy U. S. Marshal, representing U. S. Marshal J. C. Raffety; and Sgt. Scott Crouch, Fairmont Detachment of the West Virginia State Police, announced that the individuals arrested this morning on federal Indictments include:

CHRISTOPHER DICK, of Fairmont, West Virginia; COLE DICK, of Fairmont, West Virginia; ANGELA DILLARD, of 425 Monroe Street, Fairmont, West Virginia; CHRISTOPHER MYHALSKY, age 37, of Monongah, West Virginia;

The indictments and arrests are the result of a six-month investigation relating to "straw purchases" of firearms at Chrisland Enterprises and Foxx Pawn, two pawn shops in the Fairmont, West Virginia, area.

Law enforcement officers are seeking the arrest of GEORGE SMITH, age 29, of 250 Clinton Street, New York, New York.

A "straw purchaser" is someone who buys firearms from a licensed gun dealer, officially known as a Federal Firearms Licensee (FFL), on behalf of another person who is the actual buyer of the firearms. The straw purchaser fills out the paperwork to buy the firearms, but the actual buyer is to be the actual owner of the firearms. A straw purchaser may be used when the actual buyer is prohibited from having firearms, such as a convicted felon or an individual who is less than 21 years of age. On other occasions, the actual buyer of the firearm may not want the firearms to be listed in his or her name. Because certain documentation is required by federal regulations when purchasing firearms from a FFL, straw purchases almost always involve the falsification or failure to prepare these documents, which are also crimes.

In addition to the arrests, law enforcement authorities executed a Search Warrant this morning at Chrisland Enterprises located at 500 Country Club Road in Fairmont.

"Straw purchases are a form of illegal firearms trafficking. Enforcing the laws against firearms trafficking is an important priority for the Department of Justice because often these guns are eventually used in crimes," USA Johnston said.

"ATF relies on licensed firearms dealers to be aware of potential straw purchases and deny those sales," stated ATF Public Information Officer Volk. "ATF will investigate allegations of Federal Firearms Licensees allowing and facilitating straw purchases. If anyone has information about straw purchases, please contact the ATF Wheeling Field Office at 304-232-4170."

Specifically, the Indictments include the following charges:

(1) GEORGE SMITH, ANGELA DILLARD, CHRISTOPHER DICK, and COLE DICK were named in a 19-count Indictment. Count One of the Indictment alleges that SMITH, DILLARD, CHRISTOPHER DICK, and COLE DICK, together and with other persons known and unknown to the Grand Jury, conspired to violate federal firearms laws from August 2004 to October 2004 in Fairmont, Marion County, West Virginia. At all times relevant to this Count of the Indictment, CHRISTOPHER DICK maintained a federal firearms license for Chrisland Enterprises, LLC; and COLE DICK was an employee who sold firearms to customers on the business premises of Chrisland Enterprises. The Indictment alleges that it was part of the conspiracy that SMITH, DILLARD, and other conspirators would conduct "straw purchases" of firearms from CHRISTOPHER DICK, COLE DICK, and other conspirators at Chrisland Pawn, LLC by making false statements on Bureau of Alcohol, Tobacco and Firearms Form 4473 with respect to the identity of the actual purchaser of the firearms, the actual purchaser's

residence address; and actual purchaser's date of birth. It was further part of the conspiracy that CHRISTOPHER DICK, COLE DICK, and other conspirators knowingly made false statements on the Forms 4473 and transferred the firearms to DILLARD and other conspirators who transferred the firearms to SMITH.

Count Two of the Indictment alleges that CHRISTOPHER DICK and COLE DICK and others conspired to make false writings and documents to the United States Government knowing the same to contain materially false, fictitious, and fraudulent statements and entries between August 2004 and October 2004 in Fairmont, Marion County, West Virginia.

Count Three of the Indictment alleges that CHRISTOPHER DICK and COLE DICK and others conspired to commit mail fraud between August 2004 and October 2004 in Marion County, by placing falsified documents generated by straw purchases in the mail to government agencies.

Counts Four through Seven of the Indictment allege that CHRISTOPHER DICK and COLE DICK and others committed mail fraud by causing Multiple Sales Report Forms to be mailed to the ATF National Tracing Center and the West Virginia State Police in September and October of 2004.

Counts Eight and Nine of the Indictment allege that CHRISTOPHER DICK, aided and abetted by other persons, knowingly made and used false writings and documents on ATF Forms 4473 and Multiple Sales Report Forms.

Counts Fifteen, Sixteen, and Seventeen of the Indictment allege that CHRISTOPHER DICK and COLE DICK, aided and abetted by each other and by other persons, knowingly made and used false writings and documents on ATF Forms 4473 and Multiple Sales Report Forms.

Counts Ten, Fourteen, and Eighteen of the Indictment allege that CHRISTOPHER DICK, a licensed dealer, unlawfully sold and delivered firearms to an individual under the age of 21.

Count Eleven of the Indictment alleges that SMITH and DILLARD, aided and abetted by each other and by other persons, knowingly made a false statement and representation with respect to the information required to be kept in the records of a federal firearms licensee.

Count Twelve of the Indictment alleges that CHRISTOPHER DICK, a licensed dealer, aided and abetted by other persons, willfully violated a provision of Chapter 44 of Title 18, United States Code by falsely representing the purchaser of firearms.

Count Thirteen of the Indictment alleges that CHRISTOPHER DICK, a licensed dealer, aided and abetted by COLE DICK and by other persons, willfully violated a provision of Chapter 44 of Title 18, United States Code by falsely representing the purchaser of firearms.

Count Nineteen of the Indictment alleges that CHRISTOPHER DICK, a licensed dealer, aided and abetted by COLE DICK and by other persons, willfully violated a provision of Chapter 44 of Title 18, United States Code by falsely representing the purchaser of firearms.

The Indictment contacts a forfeiture allegation wherein the United States seeks for forfeit from CHRISTOPHER DICK all firearms involved in the commission of the offenses alleged in the Indictment.

If convicted, the defendants face a maximum exposure of 20 years imprisonment and a fine of \$250,000 each on Counts Three through Seven of the Indictment, and a maximum exposure of five years imprisonment and a fine of \$250,000 on each of the remaining counts of the Indictment.

(2) CHRISTOPHER MYHALSKY was named in a 24-count Indictment also alleging offenses related to straw purchases of firearms. At all times relevant to the Indictment, MYHALSKY maintained a Federal Firearms License for Foxx Pawn, located in Fairmont, Marion County, West Virginia. Counts One, Four, Seven, Ten, Thirteen, Sixteen, Nineteen, and Twenty-Two of the Indictment allege that MYHALSKY, a licensed dealer, aided and abetted by other persons, willfully violated a provision of Chapter 44 of Title 18, United States Code by falsely representing the purchaser of firearms.

Counts Two, Five, Eight, Eleven, Fourteen, Seventeen, Twenty, and Twenty-Three of the Indictment allege that MYHALSKY, aided and abetted by other persons, knowingly made and used false writings and documents on ATF Forms 4473.

Counts Three, Six, Nine, Twelve, Fifteen, Eighteen, Twenty-One, and Twenty-Four of the Indictment allege that MYHALSKY, aided and abetted by other persons, willfully failed to prepare Multiple Sales Report Forms and forward them to the Bureau of Alcohol, Tobacco, Firearms & Explosives and to the West Virginia State Police for the sale and disposition of certain firearms.

If convicted, MYHALSKY faces a maximum exposure of five years imprisonment and a fine of \$250,000 on each count of the Indictment.

A third Indictment was returned naming GEORGE SMITH in a five-count drug Indictment. Count One of the Indictment alleges that SMITH unlawfully distributed cocaine base, also known as "crack," on September 22, 2004, in Fairmont, Marion

County, West Virginia. Counts Two, Three, and Five of the Indictment allege that SMITH, aided and abetted by another person, knowingly conducted financial transactions in and affecting interstate commerce by causing the issuance of Western Union Money Transfers from West Virginia, to Brooklyn, New York, which involved the proceeds of the sale and distribution of cocaine base. Count Four of the Indictment alleges that SMITH unlawfully distributed five grams or more of cocaine base, also known as "crack," on October 28, 2004, in Fairmont.

If convicted, SMITH faces a maximum exposure of five to 40 years imprisonment and a fine of \$2,000,000 on Count Four of the Indictment; and a maximum exposure of 20 years imprisonment and a fine of \$500,000 on each of the remaining counts of the Indictment.

The defendants had their initial appearances at 1:00 p.m. today before United States Magistrate Judge John S. Kaull in Clarksburg.

The cases will be prosecuted under the *Project Safe Homes Initiative* by Assistant United States Attorney Shawn Angus Morgan. The cases were investigated by the Bureau of Alcohol, Tobacco, Firearms & Explosives with the assistance of the Fairmont Police Department and the Harrison County Drug Task Force. Officers from the United States Marshal Service and the West Virginia State Police assisted with the arrests this morning.

It should be noted that the charges contained in the Indictments are merely accusations and not evidence of guilt, and that each defendant is presumed innocent until and unless proven guilty.